

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-3107/P1dn  
DAK:wlj:kjf

April 26, 2001

To Rachel Carabell, Laura Rose, and Dick Sweet:

A number of issues arose in the course of drafting this bill. I would very much appreciate your reviewing the bill and, if possible, answering the following questions:

1. Rachel, are the amounts in the schedule that I have listed correct, with a start date of July 1, 2002?
2. Are the requirements for the quarterly report under s. 49.688 (11) appropriate?
3. Under Senate Substitute Amendment 1 to 2001 Senate Bill 1, and under this bill, pharmacies only get rebate payments for drugs sold after the deductible is paid, but participants get a discount for payment of the deductible (except the spend-down deductible); okay?
4. I have included reference to incentive payments under s. 49.688 (7); okay?
5. By what time should DHFS submit its proposal to DOA for more administration money? Before July 1, 2002? Just after passage of the budget bill? Other?
6. In general, this bill treats the dispensing fee in the same manner as SSA 1 to SB-1; however, since the "program payment rate," as defined under s. 49.688 (1) (e) is the MA rate, plus 5%, and since the MA rate apparently includes a dispensing fee, I think that the treatment of the dispensing fee is somewhat confusing. Please look at the following to see if the treatment is appropriate:
  - a. Should pharmacies be able to charge program participants, for a deductible, both the program payment rate and a dispensing fee (see s. 49.688 (5))?
  - b. Should DHFS be paying the dispensing fee, as well as the program payment rate, to pharmacies (see s. 49.688 (7))?

Thanks very much.

Debora A. Kennedy  
Managing Attorney  
Phone: (608) 266-0137  
E-mail: debora.kennedy@legis.state.wi.us